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Leza L Olson 11/28/2006 08:44:59 AM From DB/Inbox: Leza L Olson

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C O N F I D E N T I A L SECTION 01 OF 02 TEL AVIV 004641

## SIPDIS

E.O. 12958: DECL: 11/27/2016

TAGS: PREL PTER KWBG IS

SUBJECT: WITH CEASEFIRE HOLDING, OLMERT SPEECH OFFERS PEACE TO PALESTINIANS

Classified By: Ambassador Richard H. Jones, Reason 1.4 (b) (d)

(C) Summary. Deputy Defense Minister Sneh and Olmert's foreign policy adviser Tourgeman separately told the Ambassador November 27 that the ceasefire announced November 26 following a phone conversation between Olmert and Abu Mazen represented a real opportunity to change the atmosphere with the Palestinians. In a major policy speech by Olmert at noon the same day, the Prime Minister declared that he was "reaching out his hand in peace to our Palestinian neighbors," and then went on to suggest a number of steps the GOI was prepared to take if a Palestinian government that meets the international conditions and returns Corporal Shalit were formed and/or if the Palestinians ceased terror attacks against Israel. The steps mentioned by Olmert included initiating negotiations on a Palestinian state, releasing prisoners, handing over tax revenues, withdrawing from parts of the West Bank and removing some settlements. Sneh told the Ambassador he was looking at concrete steps that would help tilt the internal Palestinian situation in favor of Abu Mazen, including removing obstacles to movement. Tourgeman suggested that Olmert was open to U.S. suggestions on steps the GOI could take to show the Palestinian public that Abu Mazen's approach delivers results. The Ambassador stressed to both Sneh and Tourgeman the importance of extending the Gaza ceasefire to the West Bank, especially since as Sneh noted, Palestinian extremist factions are likely to use continued IDF operations in the West Bank as a pretext to violate the ceasefire in Gaza. We further suggest the Department and NSC consider visible ways we can show support for the ceasefire and for the encouraging new signs of life in the Israeli-Palestinian track. End Summary.

Sneh and Tourgeman Upbeat on Ceasefire

Minister Olmert and Palestinian Authority President Abu Mazen the evening of November 25, a ceasefire was announced November 26 and appeared to be holding despite several hours of continued Qassam rocket fire from Gaza that morning. The Israeli media on November 27 provided heavy coverage to PM Olmert's statement that Israel was strong enough to exercise restraint in order to try to give the ceasefire a chance to work. The media similarly emphasized Abu Mazen's decision to order his security forces to enter northern Gaza, in coordination with Israel, in order to ensure that the ceasefire would be respected.

- ¶3. (C) In a meeting with the Ambassador the morning of November 27, Deputy Defense Minister Efraim Sneh said that he and Defense Minister Peretz viewed the ceasefire as a real opportunity to tilt the Palestinian political situation in favor of Abu Mazen. Sneh said he was working on plans to remove roadblocks and reduce impediments to Palestinian movement in the West Bank, as well as a number of other steps to improve the Palestinians' living conditions and economic situation (septel).
- 14. (C) In a subsequent conversation with the Ambassador, Olmert's foreign policy adviser Shalom Tourgeman was more cautious than Sneh, but he also expressed a desire to use the ceasefire as an opening to press forward. Tourgeman flagged for us a speech that Olmert was about to give later in the day, which Tourgeman urged that we study carefully. Tourgeman also solicited our advice on steps that the GOI might take to demonstrate to the Palestinians that Abu Mazen's diplomatic approach would pay off. Tourgeman said the Prime Minister's Office was "looking for a nice package." With both Sneh and Tourgeman, the Ambassador stressed the importance of moving quickly to show that Abu Mazen's approach can deliver results, and pointed out that the ceasefire provides the Palestinians with something to lose if the extremist factions violate it. Both recognized the need for urgency since the ceasefire remains fragile.

Ambassador Urges Ceasefire be Extended to West Bank

15. (C) The Ambassador urged both Israelis to consider extending the ceasefire to the West Bank in order to maximize the political value to Abu Mazen and to reduce the likelihood that IDF action in the West Bank could be used by Palestinians factions as a pretext to violate the ceasefire in Gaza. Sneh agreed that IDF operations in the West Bank could be used as a pretext by Palestinian factions to break the Gaza ceasefire and said he would consider the idea, but he noted that there was significant resistance from the IDF and security establishment to extending it to the West Bank since they were concerned that Palestinian terrorist would exploit a West Bank ceasefire to accelerate bomb-making and operational planning for suicide attacks. Tourgeman made similar points, also noting that it was not clear that Abu Mazen's security forces had the capability to prevent terrorist activity in a territory as large as the West Bank. He assured the Ambassador, however, that the IDF would reduce its West Bank operations to the greatest extent possible as a gesture to the Palestinians. Tourgeman also urged that the Secretary press PA President Abbas to meet with Olmert soon.

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## Olmert Speech Addressed to Palestinians

- 16. (U) In a long-scheduled speech commemorating Israel's first Prime Minister David Ben-Gurion November 27, Prime Minister Olmert declared that he was extending his hand in peace to the Palestinians in the hope that it would not be rejected. Noting that the Palestinians stood "on the brink of an historic crossroad," Olmert made the following points:
- $\mbox{--}$  Terrorism has not brought the Palestinians any closer to the goal of establishing a state.

- -- If a new Palestinian government is established which meets the Quartet conditions and brings about the release of Corporal Shalit, Olmert will invite Abu Mazen to meet to establish a dialogue on creating an independent and viable Palestinian state, with territorial contiguity in the West Bank.
- -- Once Shalit is released, Israel will be willing to release many Palestinian prisoners, including some sentenced to lengthy prison terms.
- -- An end to Palestinian terror attacks will lead to steps to improve Palestinian living conditions, including removing roadblocks, facilitating the movement of people and goods, improving the operation of the border crossings in Gaza, and releasing frozen Palestinian tax revenues.
- $\mbox{--}$  Israel will seek the assistance of moderate Arab states. Calls by moderate Arabs for the need to recognize and establish normal relations with Israel -- including "some parts of the Saudi peace initiative" -- are positive and Olmert intends to "invest efforts" in developing relations with these states.
- -- Both Israel and the Palestinians must make painful compromises. Israel will agree to evacuate territories and communities (i.e. outposts and settlements) in return for true peace. The Palestinians must stop terrorism, recognize Israel's right to live in peace and security, and give up the demand for the right of return of refugees.
- -- If the Palestinians demonstrate determination and discipline, they will find Israel a ready partner. Olmert cautioned, however, that the Palestinians should not be fooled by Israel's internal differences and political rivalries. If pressed, Israel will do whatever it takes to prevail and the cost will be very high.
- -- There is no point in trying to settle historical scores. Israelis and Palestinians should instead focus on preventing further tragedies and bequething hope for a better life to future generations.
- 17. (C) Comment: The Gaza ceasefire remains fragile, but it nevertheless represents an opportunity to change the Palestinian-Israeli environment and break out of the downward spiral of violence and political impasse. Olmert's speech is welcome and we hope that his reference to the Palestinian need to give up the "right of return" does not sour the Palestinian reaction to the totality of what he is offering. We recommend that the Department and NSC consider a visible show of support for the ceasefire and for further steps, including AMA implementation and beyond.

\* Visit Embassy Tel Aviv's Classified Website: http://www.state.sgov.gov/p/nea/telaviv

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**JONES**